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Report of the Secretary-General of the International Seabed Authority under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea

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I. Introduction

1. The present report of the Secretary-General of the International Seabed Authority is submitted to the Assembly of the Authority under article 166, paragraph 4, of the 1982 United Nations Convention on the Law of the Sea ("the Convention"). The report presents an account of the main work carried out by the Authority since the seventeenth session in 2011. It also provides an overview of the work programme for the period 2012 to 2014, including identification of the main tasks that will need to be accomplished during this period.

2. The Authority is the organization through which States parties to the Convention, in accordance with Part XI of the Convention and the provisions of the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 ("the 1994 Agreement") adopted by the General Assembly of the United Nations under the terms of its resolution 48/263 of 28 July 1994, organize and control activities in the Area, particularly with a view to administering the resources of the Area. It does this strictly in accordance with the provisions of the Convention and the 1994 Agreement through a contract-based licensing system, which involves issuing contracts of limited duration to those entities wishing to explore for minerals in the seabed beyond national jurisdiction.

3. The Authority has a number of additional specific responsibilities under other provisions of the Convention, such as the responsibility to distribute to States parties to the Convention payments or contributions in kind derived from exploitation of the resources of the continental shelf beyond 200 nautical miles pursuant to article 82, paragraph 4, of the Convention, and the responsibility under articles 145 and 209 of the Convention to establish international rules, regulations and procedures to prevent, reduce and control pollution of the marine environment from activities in the Area, and to protect and conserve the natural resources of the Area and prevent damage to the flora and fauna (that is, the biodiversity) of the marine environment.

II. Overview of the substantive work of the Authority

4. The substantive functions of the Authority derive exclusively from the Convention, particularly Part XI, and the 1994 Agreement. In accordance with the 1994 Agreement, an evolutionary approach has been taken to the establishment of the Authority. Thus, pending the approval of the first plan of work for exploitation, the Authority has concentrated on the areas of work listed in paragraph 5 of section 1 of the annex to the 1994 Agreement. These include the supervision of contracts for exploration and the progressive development of regulatory measures for future activities in the Area, especially those relating to protection of the marine environment. In view of the limited resources available to the Authority, the relative priority given to each of these areas of work has until now been entirely dependent on the pace of development of commercial interest in deep seabed mining.

5. In accordance with the evolutionary approach, the first 10 years of the Authority's life were devoted primarily to organizational matters. The substantive work programme was primarily aimed at fulfilling the functions set out in the 1994 Agreement relating to the assessment and evaluation of the mineral resources of the

Area as well as beginning the process of establishing an environmental baseline for the areas of primary interest for mining. In the past two years, however, there has been a significant increase in the activities and workload of the Authority. The workload of the Authority now includes not only the supervision of 12 active exploration contracts, but also the development of urgently needed rules, regulations and procedures relating to the protection of the marine environment and future exploitation. Another five applications for plans of work for exploration have been filed in 2012. This is encouraging for the Authority as an institution and for member States, who will be the ultimate beneficiaries from seabed mining in the future. However, it also means that the Authority is under increased pressure to now develop fair and equitable policies and regulations for the exploitation of marine minerals, as well as to deliver an appropriate level of environmental protection for the Area.

6. In this regard, while the workload of the Authority has evolved, there has been no increase in the resources available to carry out that work. The present report identifies the resources that will be required to (a) effectively administer the expected number of exploration contracts, (b) continue the progressive development of rules, regulations and procedures for the conduct of activities in the Area, including regulations for exploitation of seabed minerals, and (c) continue the baseline environmental work necessary to carry out and evaluate environmental impact assessments of deep seabed mining. In the concluding part of the report, some suggestions are made for further streamlining the pattern of meetings of the Authority in order to ensure the maximum efficiency and cost-effectiveness in carrying out its work.

III. The Area

7. The Area is defined in the Convention as the seabed and subsoil thereof beyond the limits of national jurisdiction. It follows that it is not possible to establish the geographic limits of the Area with any certainty until the limits of national jurisdiction are established, which includes a precise delineation of all areas of continental shelf extending beyond 200 nautical miles from the baseline. In this regard, article 84, paragraph 2, of the Convention requires coastal States to give due publicity to charts or lists of geographical coordinates of the outer limit lines of the continental shelf and, in the case of those extending beyond 200 nautical miles, to deposit a copy of such charts or lists with the Secretary-General of the Authority. This requirement is in addition to the requirement under article 76, paragraph 9, of the Convention to deposit such charts or lists, as well as other relevant information, with the Secretary-General of the United Nations.

8. On 21 October 2009, Mexico became the first member of the Authority to formally notify the Secretary-General that it had deposited with the Secretary-General of the United Nations charts and other relevant information on the outer limit of its continental shelf with respect to the western polygon in the Gulf of Mexico. As a follow-up, the Secretary-General is pleased to inform the Assembly that, on 6 January 2012, Mexico submitted to the Secretary-General of the Authority a copy of the list of coordinates of Mexico's outer limits of the continental shelf in the western region of the Gulf of Mexico beyond 200 nautical miles, in accordance with article 84, paragraph 2, of the Convention. Recognizing that the delineation of all pending claims to areas of outer continental shelf is likely to be a lengthy

process, the Secretary-General nevertheless wishes to reiterate that article 84, paragraph 2, of the Convention is an important provision which is designed to facilitate the effective administration of the Area for the benefit of all States. The Secretary-General encourages all members of the Authority to observe the provisions of article 84, paragraph 2, as soon as possible after their outer limits of the continental shelf have been established in accordance with relevant provisions of the Convention.

IV. Membership of the Authority

9. In accordance with article 156, paragraph 2, of the Convention, all States parties to the Convention are ipso facto members of the Authority. As at 12 May 2012, there were 162 members of the Authority (161 States and the European Union). On the same date, there were 141 parties to the 1994 Agreement.

10. Since the last session of the Authority, no States have become parties to the Convention or the 1994 Agreement. There are still 21 members of the Authority that became parties to the Convention prior to the adoption of the 1994 Agreement but have not yet become parties to that Agreement: Antigua and Barbuda, Bahrain, Bosnia and Herzegovina, Comoros, Democratic Republic of the Congo, Djibouti, Dominica, Egypt, Gambia, Ghana, Guinea-Bissau, Iraq, Mali, Marshall Islands, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sao Tome and Principe, Somalia, Sudan and Yemen.

11. As provided by resolution 48/263 and the 1994 Agreement itself, the provisions of the 1994 Agreement and Part XI of the Convention are to be interpreted and applied together as a single instrument. In the event of any inconsistency between the 1994 Agreement and Part XI, the provisions of the 1994 Agreement prevail. Although members of the Authority that are not parties to the 1994 Agreement necessarily participate in the work of the Authority under arrangements based on that Agreement, becoming a party to the 1994 Agreement would remove an incongruity that currently exists for those States. For this reason, each year since 1998, at the request of the Assembly, the Secretary-General has circulated a letter to all members in this position, urging them to consider becoming parties to the 1994 Agreement. In the last such letter, circulated in May 2012, attention was drawn to the relevant paragraphs of the report of the Secretary-General for 2011 (ISBA/17/A/2) and to paragraph 3 of General Assembly resolution 66/231, in which the Assembly called upon all States to become parties to both the Convention and the Agreement in order to achieve the goal of universal participation in the two instruments. The Secretary-General encourages all those members of the Authority that are not yet parties to the 1994 Agreement to become parties at the earliest possible opportunity.

V. Permanent missions to the Authority

12. As at 31 May 2012, the following 20 States and the European Union maintained permanent missions to the Authority: Argentina, Belgium, Brazil, Cameroon, Chile, China, Cuba, France, Gabon, Germany, Italy, Jamaica, Japan, Mexico, Nigeria, Republic of Korea, Saint Kitts and Nevis, South Africa, Spain and Trinidad and Tobago.

VI. Protocol on the Privileges and Immunities of the Authority

13. The Protocol on the Privileges and Immunities of the International Seabed Authority entered into force on 31 May 2003. Since the seventeenth session two further members of the Authority (France and Guyana) have become parties to the Protocol.

14. As at 14 June 2012, the number of parties to the Protocol was 35: Argentina, Austria, Brazil, Bulgaria, Cameroon, Chile, Croatia, Cuba, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Guyana, India, Ireland, Italy, Jamaica, Mauritius, Mozambique, Netherlands, Nigeria, Norway, Oman, Poland, Portugal, Slovakia, Slovenia, Spain, Togo, Trinidad and Tobago, United Kingdom of Great Britain and Northern Ireland and Uruguay.

15. The Secretary-General wishes to draw the attention of members of the Authority to operative paragraph 46 of General Assembly resolution 66/231, in which the Assembly called upon States that had not done so to consider ratifying or acceding to the Protocol. The Secretary-General urges other members to become parties to the Protocol, which, inter alia, provides essential protection to representatives of members of the Authority who attend meetings of the Authority or who travel to and from those meetings. It also accords to experts on mission for the Authority such privileges and immunities as are necessary for the independent exercise of their functions during the period of their mission and the time spent on journeys in connection with their mission.

VII. Previous session of the Authority

16. The seventeenth session of the Authority was held in Kingston from 11 to 22 July 2011. Peter Thomson (Fiji) was elected President of the Assembly for the seventeenth session, and Andrzej Przybycin (Poland) was elected President of the Council.

17. The Council, acting on the recommendation of the Legal and Technical Commission, considered and approved four applications for approval of plans of work for exploration in the Area. The applications submitted by Nauru Ocean Resources Inc. (NORI), sponsored by Nauru, and by Tonga Offshore Mining Ltd. (TOML), sponsored by Tonga, related to exploration for polymetallic nodules. The applications submitted by the China Ocean Mineral Resources Research and Development Association (COMRA) and by the Government of the Russian Federation related to exploration for polymetallic sulphides.

18. At its 172nd meeting, on 21 July 2011, the Council, having decided, without prejudice to future elections and having due regard to economy and efficiency, to increase the number of members of the Commission, elected 25 members of the Legal and Technical Commission for the period 2012 to 2016. Members of the Council emphasized that it was imperative that members of the Commission make every effort to attend and participate in all meetings of the Commission in full.

19. The Council was not able to complete its work on the elaboration of regulations for prospecting and exploration for cobalt-rich ferromanganese crusts in the Area and it was agreed to take this matter up at the eighteenth session. This matter is discussed in section XVII of the present report.

20. The Council also considered a proposal for an environmental management plan for the Clarion-Clipperton Zone submitted to it by the Legal and Technical Commission (ISBA/17/LTC/7). As proposed by the Commission, the plan included the establishment of nine areas of particular environmental interest intended to protect the biodiversity and ecosystem structure and functioning of the Zone from the potential impacts of seabed mining. The Council took note of the recommendations of the Commission and adopted a decision relating to the environmental management plan for the Zone (ISBA/17/C/19). In its decision, the Council recognized that the recommendations of the Commission were designed to give effect to the precautionary approach, as called for in the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area (ISBA/6/A/18, annex). The Council also decided that, until the environmental management plan was adopted, any application for a plan of work for exploration or exploitation in one of the proposed areas of particular environmental interest would be given special scrutiny by the Commission against the background of the draft environmental management plan. The Council further called for marine scientific research to be conducted in the areas of particular environmental interest, in accordance with article 143 of the Convention, and for the full and effective dissemination of the results of such research through the Authority. In addition, the Council requested the Secretary-General of the Authority to take steps to develop programmes for marine scientific research in the Zone for the benefit of developing States and to communicate the decision to other relevant international organizations, including those having an interest in the high seas in the region of the Zone. Finally, the Council requested the Secretary-General to convene a further workshop to review again the data and assumptions used in the proposal and to address the availability of data that could be used to assess the plan, and asked the Commission to further examine its proposals in the light of the results of such workshop and the discussions in the Council.

21. Following the seventeenth session, the Secretary-General communicated the Council's decision to all relevant international organizations, including the Inter-American Tropical Tuna Commission, the Western and Central Pacific Fisheries Commission, the secretariat of the Convention on Biological Diversity and the United Nations Environment Programme (UNEP). The Secretary-General also convened a meeting of contractors with the Authority in order to address the question of the availability of data that could be used to assess the environmental management plan. Further details can be found in section XX of the present report.

VIII. Thirtieth anniversary of the United Nations Convention on the Law of the Sea

22. The Convention was adopted in New York on 30 May 1982 and was opened for signature at Montego Bay, Jamaica, on 10 December 1982. In its decision ISBA/17/A/8, of 25 July 2012, the Assembly decided to convene a special meeting during the eighteenth session to commemorate the thirtieth anniversary of the opening for signature of the Convention and requested the Secretary-General of the Authority to undertake activities in observance of the anniversary. The special session will take place on 24 July 2012, followed by a reception. The Government of Jamaica, in collaboration with the Authority, also proposes to erect a

commemorative plaque at the Wyndham Rose Hall Hotel, Montego Bay, Jamaica, which was the venue for the opening for signature of the Convention in 1982.

23. On 29 February 2012, the Minister of Foreign Affairs and Foreign Trade of Jamaica and the Secretary-General of the Authority jointly hosted an event to launch a commemorative programme in honour of the thirtieth anniversary. The event was accompanied by an exhibition of pictures, posters, maps, samples of marine minerals, model research vessels and submersibles, and publications provided by the Authority and the Centre for Marine Sciences of the University of the West Indies. The official launch was followed by a symposium to introduce the achievements of the Convention, the Authority and the Endowment Fund of the Authority, at which presentations were made by the Secretary-General, the Deputy to the Secretary-General and Legal Counsel and Coy Roache, a former member of the Finance Committee. About 100 diplomats, Jamaican Government officials and staff members of the secretariat participated in the official launch and the mposium.

24. The Authority was also represented at th twenty-second Meeting of States Parties to the Convention, held at New York from 4 to 11 June 2012, during which a special commemorative session was held to mark the thirtieth anniversary of the Convention. The Secretary-General of the Authority, together with the President of the International Tribunal for the Law of the Sea and the Chair of the Commission for the Limits of the Continental Shelf, were invited to make presentations at the commemorative session.

IX. Administrative matters

A. Staff Regulations and Rules

25. The Authority is an autonomous international organization but it applies to its staff the common system of salaries, allowances and other conditions of service of the United Nations system. The Authority is also a member of the United Nations Joint Staff Pension Fund and accepts the jurisdiction of the United Nations Appeals Tribunal in relation to applications from staff members of the Authority alleging non-observance of their terms of appointment, including all pertinent regulations and rules. The Authority is also a party, since 2001, to the Inter-Organization Agreement concerning Transfer, Secondment or Loan of Staff among the Organizations Applying the United Nations Common System of Salaries and Allowances. As earlier noted (ISBA/17/A/2, para. 17), the Staff Rules of the Authority were reviewed and updated in January 2011 in order to take into account changes in the procedures and practices applicable in the United Nations as well as the changes to the Staff Regulations of the Authority adopted by the Assembly in 2010. Following the promulgation of the revised Staff Rules, the Office of Legal Affairs undertook a comprehensive review of all current administrative instructions and information circulars in order to ensure that they remained consistent with the Staff Regulations and Rules.

B. Secretariat

26. There were no changes to the secretariat during the reporting period and the number of established posts remained at 35 (19 Professional and 16 General Service). The structure of the secretariat has remained largely unchanged since 1998. It is

organized into four functional units: the Office of the Secretary-General, the Office of Legal Affairs, the Office of Administration and Management and the Office of Resources and Environmental Monitoring. Given the limited number of staff members, temporary support is procured to service the annual sessions of the Authority. Translation of official documents is outsourced to the Department for General Assembly and Conference Management of the United Nations in New York, which also provides interpreters and conference-servicing staff for the annual session.

C. Staff training

27. Staff training is required for the maintenance of the computer network and specialized software, which are continually being updated. Training in specialized areas, such as the Geographic Information System (GIS), is also necessary. In addition, since the Authority applies the United Nations common system, it is expected to make available mandatory staff training in core United Nations competencies. Unfortunately, since such training is not generally available in Jamaica, and the financial resources for training are not sufficient for external training, the reality is that limited training opportunities are available for staff members. Nevertheless, in order to promote language proficiency, French and Spanish classes were held for secretariat staff during 2011.

X. Headquarters of the Authority

28. The relationship between the Authority and the host Government, Jamaica, is dealt with in a headquarters agreement approved by the Assembly in 1999. The permanent headquarters of the Authority, which are the premises formerly occupied by the Kingston Office for the Law of the Sea, are located in Kingston, Jamaica. The terms and conditions under which the Authority occupies the part of the headquarters building allocated to it are set out in a supplementary agreement between the Authority and the Government of Jamaica concerning the use and occupation of the permanent headquarters. In accordance with article 6 of the supplementary agreement, it is the responsibility of the Government to maintain the headquarters building in good condition of repair and maintenance, including elevators, fire protection systems and air conditioning.

29. The Secretary-General had previously reported to the Assembly on long-standing problems relating to the age and poor condition of the air-conditioning units, elevators and windows of the headquarters building. These included frequent malfunctioning and water ingress, causing damage to the Authority's property as well as health problems. Between August 2011 and March 2012, the Government carried out renovation and repair work to the elevators and the air-conditioning system. Seals on all external windows have also been renewed. These measures have ameliorated, for the time being, some of the most serious defects in the headquarters building. However, the building itself is old, deteriorating and inefficient, especially in terms of energy efficiency.

30. While the Government of Jamaica is responsible for maintaining the fabric of the headquarters building, the Authority is required to take responsibility for minor internal repairs as well as the internal layout and state of decoration of the secretariat offices on the first and second floor of the headquarters building. The

secretariat offices were last refurbished in 1999 and are now in a very poor state of decoration and repair. It is therefore proposed to carry out an internal refurbishment of the secretariat offices, including sanitary facilities, during the forthcoming biennium.

31. Pursuant to the headquarters agreement, the Authority uses the Jamaica Conference Centre for the purposes of its annual sessions. The cost of rental of the Conference Centre is met from the administrative budget of the Authority.

XI. Relationship with the United Nations and other relevant international organizations

A. The United Nations

32. The Authority maintains a close and productive working relationship with the United Nations, in particular the Division for Ocean Affairs and the Law of the Sea of the Office of Legal Affairs and the Department for General Assembly and Conference Management, which provides meetings services for the annual session of the Authority. Since 2011, the Authority has also become a participating organization in the Nippon Foundation Fellowship Programme administered by the Division pursuant to the Technical Cooperation Trust Fund Agreement between the United Nations and the Nippon Foundation of Japan.

33. In this regard, it will be recalled that the General Assembly, by its resolution 51/6 of 24 October 1996, granted observer status to the Authority. The Authority maintains a permanent mission to the United Nations, which greatly facilitates an effective working relationship with Member States represented in New York. Furthermore, in 1997, the Authority entered into a formal relationship agreement with the United Nations under which the Authority agreed to apply, in the interests of uniform standards of international employment, and to the extent feasible, common personnel standards, methods and arrangements and to facilitate the interchange of personnel in order to obtain the maximum benefit from staff members' services. The agreement also covers the terms and conditions on which meeting services are provided to the Authority by the Department for General Assembly and Conference Management.

B. International Civil Service Commission

34. Although the Authority has consistently applied the common system of salaries, allowances and other conditions of service of the United Nations and is subject to the decisions of the International Civil Service Commission concerning matters such as the conditions of service for staff, including post adjustment and cost-of-living allowances, it has not yet subscribed to the statute of the Commission. This has had certain negative impacts on the Authority and its staff: the Authority is unable to contribute to the process of establishing some of the basic conditions of service for staff, such as post adjustment, and is also unable effectively to avail itself of the benefits of the Inter-Organization Agreement and related staff mobility and career enhancement mechanisms, as well as the services of the Joint Inspection Unit and security management services coordinated through the Department for Safety and Security of the United Nations.

35. Following discussion of this matter in the Finance Committee in 2011, the Committee requested the Secretary-General to provide it with a report detailing the costs and benefits of the Authority participating in the work of the Commission. The report was prepared and issued under the symbol ISBA/18/FC/2. It will be considered by the Finance Committee during the eighteenth session. In the report the Secretary-General recommends that the Authority subscribe to the statute of the Commission with effect from 2013 and that provision for the costs of participation in the work of the Commission be included in the budget for the financial period 2013-2014. Subscribing to the Commission's statute would ensure the Authority's full participation in the United Nations common system.

C. International Tribunal for the Law of the Sea

36. The Authority enjoys a harmonious working relationship with the International Tribunal for the Law of the Sea. In March 2012, at the invitation of the President of the Tribunal, the Secretary-General and the Deputy to the Secretary-General visited the premises of the Tribunal in Hamburg where they held informal discussions with the judges of the Tribunal and the members of the Seabed Disputes Chamber. An informal discussion also took place on general administrative and staffing matters between the Deputy to the Secretary-General and the Registrar of the Tribunal. As part of the collaboration between the Authority and the Tribunal, the Tribunal's librarian visited the Authority in February 2012 to explore possible areas of collaboration in the provision of library and information services. This matter is discussed in section XIII of the present report.

XII. Financial matters

A. Budget

37. The approved budget for the financial period from 2011 to 2012 was US$ 13,014,700. That represented an increase of 3.9 per cent over the budget for the previous financial period. The proposed budget for the financial period from 2013 to 2014 (ISBA/18/A/3-ISBA/18/C/7) will be presented to the Finance Committee for consideration at the eighteenth session. The proposed budget takes into account the evolution in the work of the Authority and the need for increased resources to carry out this work. The proposed budget also reflects the increased costs associated with processing applications for plans of work for exploration and reviewing the annual reports of contractors.

38. The secretariat continued to use its best efforts to constrain unnecessary increases in its administrative expenses through the implementation of cost-saving and efficiency measures where possible. These included replacement and upgrading of the existing telephone switchboard to achieve savings of 12 per cent per annum in recurrent costs and an estimated 20 per cent savings in the cost of international call charges; energy efficiency measures to achieve a 10 per cent savings in electricity consumption; reduction in expenditures on overtime by approximately 40 per cent through improved management; consolidation of printers and information technology assets to reduce maintenance and consumable costs; and stricter enforcement of travel policies. In addition, the secretariat was able to recover a total of

2,622,061.24 Jamaican dollars (US$ 30,138) in the form of outstanding refunds of general consumption tax, unpaid royalties from sales publications and delayed contributions from other agencies towards the cost of language training.

B. Status of contributions

39. In accordance with the Convention and the 1994 Agreement, the administrative expenses of the Authority shall be met by assessed contributions of its members until the Authority has sufficient funds from other sources to meet those expenses. The scale of assessments shall be based on the scale used for the regular budget of the United Nations, adjusted for differences in membership. As at 30 April 2012, 57 per cent of the value of contributions to the 2012 budget due from member States and the European Community had been received from 40 per cent of the Authority's membership.

40. Contributions outstanding from member States for prior periods (1998-2011) amount to US$ 308,267. Notices are regularly sent to member States reminding them of the arrears. In accordance with article 184 of the Convention and rule 80 of the rules of procedure of the Assembly, a member of the Authority that is in arrears in the payment of its financial contribution shall have no vote if the amount of its arrears equals or exceeds the amount of the financial contribution it owes for the preceding two years. As at 30 April 2012, 42 members of the Authority were in arrears for a period of two years or more: Angola, Belarus, Belize, Benin, Botswana, Burkina Faso, Cape Verde, Comoros, Congo, Dominica, Dominican Republic, Equatorial Guinea, Gabon, Gambia, Grenada, Guinea, Guinea-Bissau, Honduras, Lesotho, Liberia, Maldives, Mauritania, Micronesia (Federated States of), Morocco, Mozambique, Palau, Panama, Paraguay, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sao Tome and Principe, Seychelles, Sierra Leone, Solomon Islands, Somalia, Togo, Uganda, Vanuatu, Viet Nam, Zambia and Zimbabwe.

41. Also as at 30 April 2012, the balance of the Working Capital Fund stood at US$ 491,708. In this regard, it will be recalled that, at the sixteenth session in 2010, the Finance Committee recommended an increase in the level of the Working Capital Fund, to be implemented over the next two financial periods, to a level of US$ 560,000.

C. Voluntary trust fund

42. The voluntary trust fund for the participation of members of the Finance Committee and the Legal and Technical Commission from developing countries was established in 2002. Provisional terms and conditions for the use of the fund were adopted by the Assembly in 2003 and amended in 2004 (see ISBA/9/A/9, para. 14, and ISBA/9/A/5-ISBA/9/C/5). The voluntary trust fund is made up of voluntary contributions from members of the Authority and others. To date, contributions totalling US$ 188,318 have been received. The last contribution, of US$ 10,000, was made in June 2011 by Nigeria. In addition, to supplement the voluntary contributions, the sum of US$ 195,000 has been advanced to the voluntary trust fund from the Endowment Fund for Marine Scientific Research (see sect. D below), even though the Endowment Fund is expressly established for the separate purpose of supporting the participation of developing country scientists in marine scientific

research and not for the purpose of supporting the participation of members of the Legal and Technical Commission and Finance Committee in the meetings of those bodies.

43. The total amount paid out of the voluntary trust fund to date is US$ 367,192. Average annual expenditure is US$ 45,834. The estimated annual requirement, if all members of the Legal and Technical Commission and Finance Committee from developing countries were to use the fund, would be approximately US$ 60,000. However, as at 30 April 2012, the balance of the fund stood at US$ 22,794, which will not be sufficient to meet the estimated requirement in 2012. As will be seen in paragraph 47 below, it will also not be possible to continue to supplement the voluntary trust fund by borrowing from the Endowment Fund.

44. In these circumstances, the Secretary-General appeals to members of the Authority to make contributions to the voluntary trust fund in order to facilitate full participation in the Finance Committee and the Legal and Technical Commission by members from developing countries.

D. Endowment Fund for Marine Scientific Research in the Area

45. The Endowment Fund for Marine Scientific Research in the Area was established by the Assembly in 2006 (ISBA/12/A/11). Detailed rules and procedures for the administration and utilization of the Fund were adopted in 2007 (ISBA/13/A/6). The Endowment Fund aims to promote and encourage the conduct of marine scientific research in the Area for the benefit of mankind as a whole, in particular by supporting the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes, including through training, technical assistance and scientific cooperation programmes. The Fund is administered by the secretariat of the Authority.

46. The initial capital of the Endowment Fund, amounting to US$ 2,631,803, was derived from application fees paid under resolution II of the Third United Nations Conference on the Law of the Sea by seven former registered pioneer investors that have since entered into contracts with the Authority. Additional contributions to the Fund may be made by the Authority, members of the Authority, other States, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations and private persons. Since the establishment of the Fund, additional contributions of US$ 732,286 have been received, the most recent contributions being US$ 100,000 by Japan in September 2011 and US$ 20,000 by the United Kingdom in March 2012. The Secretary-General is grateful to Japan and the United Kingdom for their generous contributions to the Fund.

47. As at the end of 30 April 2012, the capital of the Fund stood at US$ 3,387,038. The Fund has accumulated interest in the amount of US$ 370,340, of which US$ 350,644 has been disbursed after US$ 22,949 had been returned to capital over the years in accordance with the financial rules of the Fund. This means that, as at 30 April 2012, only US$ 19,696 remained available for disbursement. As noted above, the sum of US$ 195,000 has been advanced from the accumulated interest of the Endowment Fund to support the voluntary trust fund, and it appears unlikely that this amount can be recovered in the foreseeable future. Prevailing low rates of bank interest mean that comparatively little income can be expected in 2012 unless the Fund is actively managed to produce a better return on investment. The question of

investment of the Fund will be considered by the Finance Committee during the eighteenth session. Information on the substantive activities of the Endowment Fund is contained in paragraphs 105 to 110 of the present report.

XIII. Library facilities and publications

A. Satya N. Nandan Library

48. The Satya N. Nandan Library is the main information resource for the secretariat and for member States and other individuals and institutions looking for specialist information on seabed resources and legal and political issues relating to the deep sea. The Library manages the Authority's specialized collection of reference and research materials focusing on matters relating to the law of the sea, ocean affairs and deep seabed mining. It serves the needs of members of the Authority, permanent missions and researchers interested in information on the law of the sea and ocean affairs, as well as providing essential reference and research assistance to support the work of the staff of the secretariat. In addition, the Library is responsible for the archiving and distribution of the official documents and publications of the Authority. The Library is an active member of the International Association of Aquatic and Marine Science Libraries and Information Centres, which meets annually in one of the member countries, and the Library and Information Association of Jamaica.

49. The facilities available at the Satya N. Nandan Library include a reading room with access to the collection for reference purposes, computer terminals for e-mail and Internet usage and access to the Library's database, literature searches, handling of telephone, e-mail or in-person queries, photocopying, interlibrary lending and the distribution of the official documents and publications of the Authority. The Library's capacity to support specialized research continues to be developed through an acquisitions programme aimed at building upon and strengthening its comprehensive collection of reference materials. The Library is improving the accessibility of information by (a) collecting, cataloguing and preserving relevant documents in print and electronic formats and (b) using new products and services to disseminate information. With the abundance of new technologies and resources transforming the information scene, alternative tools for managing information delivery are being evaluated to ensure that information needs are addressed and that the most appropriate and cost-effective systems possible are acquired for the improvement of library services. As part of this exercise, the librarian from the International Tribunal for the Law of the Sea visited the Authority to explore possible areas of collaboration in the provision of information services. The two organizations, which share many similarities and challenges, identified a number of areas, such as resource sharing and joint collections development, for possible collaboration.

50. During the reporting period, 110 books and over 460 journal issues were acquired. A number of donations were received from institutions, libraries and individuals, including from the Division for Ocean Affairs and the Law of the Sea of the United Nations Secretariat, the International Tribunal for the Law of the Sea, the United Nations Educational and Scientific Organization (UNESCO), UNEP, the Food and Agriculture Organization of the United Nations, the United Nations Development Programme, the Intergovernmental Oceanographic Commission of UNESCO, the

World Bank, the Tokyo Institute of Technology, the Embassy of the Republic of Korea in Jamaica, the Center for Oceans Law and Policy of the University of Virginia, United States of America, the Mines and Geology Division of the Ministry of Energy and Mining of Jamaica, the China Institute for Marine Affairs of the State Oceanic Administration of China and the United States Institute of Peace. An individual donation was also received from Edwin Egede of Cardiff University, United Kingdom. The Secretary-General is grateful to all who supported the Library during this period.

51. The Library continues to receive requests for copies of the publications and documents of the Authority. The Library also continues to respond to requests for information from institutions, non-governmental organizations, academics, government departments and the general public and to offer guidance on sources of information on subject areas related to the activities of the Authority, the international law of the sea and deep seabed mining. The commemoration of the thirtieth anniversary of the Convention has revitalized public interest in the history of the Convention and the activities of the Authority, and resulted in many requests for information being directed to the Library. The Advisory Opinion of the Seabed Disputes Chamber on the responsibilities and obligations of States has also generated immense interest among researchers. The Library has also received requests, many in electronic form, for information concerning the law of the sea conferences; the Endowment Fund; continental shelf legislation and exclusive economic zone claims; current developments in marine mineral resources research and exploration; highly migratory species (annex I of the Convention); basic conditions of prospecting, exploration and exploitation (annex III of the Convention); national legislation on offshore mining and deep sea exploration licences; the participation of Jamaica and the Caribbean in the negotiations at the Third Conference; current issues and developments on law of the sea in China; the application of the Convention to the Caribbean States, especially regarding boundary issues in the region; the geological structure of the Mexico-Pacific Area; and protection of the seabed environment.

52. Requests were also received from, and library services utilized by, individual researchers, a number of embassies and permanent missions based in Jamaica and academic and research institutions in other countries, including Xiamen University, China; the Nigerian Institute for Oceanography and Marine Research; the University of Auckland Library, New Zealand; Fenners Chambers, Cambridge, United Kingdom; the Instituto de Ciencias del Mar y Limnología of the National Autonomous University of Mexico; the Caribbean Court of Justice; the UNEP office in Jamaica; the National Environment and Planning Agency, the Maritime Authority and the Ministry of Foreign Affairs and Foreign Trade of Jamaica; students from the University of Technology, the University of the West Indies and the Norman Manley Law School, Jamaica; the Caribbean Maritime Institute; Allan Kirton; and the permanent missions of China and Brazil in Jamaica.

B. Publications

53. The publications of the Authority are available in both print and electronic formats. The regular publications include an annual compendium of selected decisions and documents of the Authority (published in English, French and Spanish) and a handbook containing details, inter alia, of the membership of the Assembly and the Council, the names and addresses of permanent representatives and the names of the

members of the Legal and Technical Commission and the Finance Committee. The Authority also publishes a range of specialized legal and technical reports.

54. In keeping with trends within the global publishing industry, the Authority is moving towards making more publications available in electronic format. All of the Authority's technical studies and workshop proceedings have been converted to e-book format and may be downloaded free of charge from the Authority's website (www.isa.org.jm). The secretariat is also analysing the options for electronic distribution of publications in order to reduce the costs of printing and distribution and to take advantage of the widespread use of new technology such as tablet computers and e-book readers.

XIV. Website and public information

A. Website

55. The Authority's website (www.isa.org.jm) contains essential information on the activities of the Authority, primarily in English, French and Spanish. The texts of all the official documents and decisions of the organs of the Authority are available in the six official languages of the Authority. All official publications of the Authority are also available on the website in both e-book and digital document format. The website's central data repository hosts specialized databases as well as an interactive GIS production of maps. The website was redesigned in 2007 using Drupal, a sophisticated programming interface and open software that is used to drive many websites today. Nevertheless, it requires further reorganization and redesign with a view to making it much more user-friendly. Efforts will also be made to integrate the website with the central data repository.

B. Public information

56. As the work of the Authority is highly technical and specialized, it is frequently misunderstood and misrepresented. The secretariat does not at present have a communications unit, but undertakes a number of initiatives to ensure that the functions and purposes of the Authority are publicized and can be understood. In addition to making information available on the website of the Authority, this includes issuing information brochures, newsletters and briefing notes on technical subjects.

57. Since 2007, the Authority has convened six sensitization seminars in different parts of the world. The purpose of the seminars is to inform government officials, marine policymakers and scientists at national and regional institutions of the work of the Authority and to promote the participation of scientists from institutions in developing countries in marine scientific research being undertaken in the Area by international research organizations. Typically, the seminars include presentations by experts on the type of minerals to be found in the Area, resource evaluation, the protection and preservation of the marine environment from activities in the Area and the process and status of the legal regimes established for recovery of seabed minerals, as well as presentations on regional issues with respect to the law of the sea. Regional seminars have been held in Manado, Indonesia (March 2007), Rio de Janeiro, Brazil (November 2008), Abuja (March 2009), Madrid (February 2010) and

Kingston (March 2011). It is proposed to convene two further seminars during the forthcoming biennium. The first will be hosted by Sri Lanka and will cater to some of the bordering States, including India, Thailand and Malaysia, while the second will be hosted by Ghana on behalf of the African Union.

58. On 16 February 2012, following comments and suggestions made by States parties to the Convention during the twenty-first Meeting of States Parties in 2011, the sixth sensitization seminar was held at United Nations Headquarters in New York. The objective of the seminar was to inform representatives of members of the Authority based at the permanent missions to the United Nations in New York about current issues relating to deep seabed mining and the work of the Authority. Issues addressed included the prospects for extraction of rare earth elements from seabed mineral deposits, the resource assessment carried out by the Authority, opportunities for training offered by the Endowment Fund, the structure of the Authority and the work of the Council and the Legal and Technical Commission.

59. On 23 and 24 April 2012, a group of 13 young diplomats from the Ministry of Foreign Affairs of Saudi Arabia paid a field visit to the headquarters of the Authority. The visit was part of a training programme in public international law organized by the Ministry and offered by the London-based public international law firm Messrs Volterra Fietta. Staff members of the secretariat gave lectures and presentations on the work of the Authority and the resources of the Area.

XV. Overview of the programme of work of the Authority for the period 2012-2014

60. The work programme for the period 2012-2014 continues to focus primarily on the scientific, technical, legal and policy work necessary to carry out the functions of the Authority under the Convention and the 1994 Agreement. Although many items are interrelated, for ease of reference the work programme is organized thematically around the following major substantive work streams, reflecting the provisions of paragraph 5 of section 1 of the annex to the 1994 Agreement:

(a) Ongoing supervision of contracts for exploration and award of new contracts as necessary;

(b) Progressive development of the regulatory regime for activities in the Area;

(c) Monitoring of trends and developments relating to deep seabed mining activities, including world metal market conditions and metal prices, trends and prospects and cost-effective and environmentally friendly technological developments with regard to seabed mining activities;

(d) Collection and assessment of data from prospecting and exploration and analysis of the results;

(e) Promotion and encouragement of marine scientific research in the Area, with particular emphasis on research related to the environmental impact of activities in the Area;

(f) Development of specialized databases relevant to the work of the Authority.

XVI. Ongoing supervision of contracts for exploration and award of new contracts as necessary

61. The contractual nature of the relationship between the Authority and those wishing to conduct activities in the Area is fundamental to the legal regime established by Part XI of the Convention and the 1994 Agreement. Annex III to the Convention, which sets out the basic conditions of prospecting, exploration and exploitation, also forms an integral part of this legal regime, which is to be further elaborated in the rules, regulations and procedures adopted by the Authority. Consequently, the administration and supervision of contracts between the Authority and qualified entities wishing to explore for or exploit deep-sea mineral resources lies at the core of the Authority's functions. Over the past three years, this aspect of the Authority's work programme has assumed greater prominence as the number of contracts issued by the Authority has increased significantly.

A. Status of contracts for exploration

62. Between 2001 and 2010, the Authority issued eight contracts for exploration for polymetallic nodules to the following qualified entities (the sponsoring States are shown in parentheses): Yuzhmorgeologiya (Russian Federation); the Interoceanmetal Joint Organization (IOM) (Bulgaria, Cuba, Czech Republic, Poland, Russian Federation and Slovakia); the Government of the Republic of Korea; the China Ocean Mineral Resources Research and Development Association (COMRA) (China); Deep Ocean Resources Development Ltd. (DORD) (Japan); the French Research Institute for Exploration of the Sea (IFREMER) (France); the Government of India; and the Federal Institute for Geosciences and Natural Resources of Germany (BGR) (Germany).

63. In 2011, the Council approved plans of work for exploration for polymetallic nodules by Nauru Ocean Resources Inc. (NORI) (Nauru) and Tonga Offshore Mining Ltd. (TOML) (Tonga). The Council also approved the first plans of work for exploration for polymetallic sulphides following applications by COMRA and the Government of the Russian Federation. Following their approval, the plans of work were prepared in the form of contracts, which were signed as follows: NORI on 22 July 2011 at Kingston, COMRA on 18 November 2011 at Beijing and TOML on 11 January 2012 at Kingston. The contract with the Russian Federation has been prepared, but has not yet been signed owing to difficulties in scheduling. It is expected that the contract will be signed imminently.

64. The rules, regulations and procedures of the Authority contain prescriptive requirements relating to the relationship between the Authority (represented by the Secretary-General) and contractors. These include, inter alia, time-sensitive reporting requirements. Under the terms of their contracts, contractors are required to submit an annual activity report. The objective of the reporting requirement is to establish a mechanism whereby the Secretary-General and the Legal and Technical Commission are properly informed of the contractors' activities so as to be able to exercise their functions under the Convention, in particular those relating to the protection of the marine environment from the harmful effects of activities in the Area.

65. Annual reports are due on 31 March of each year. As of 23 May 2012, annual reports on exploration activities during 2011 had been submitted by nine contractors,

namely Yuzhmorgeologiya, IOM, the Government of the Republic of Korea, COMRA, DORD, IFREMER, the Government of India, BGR and NORI. Since the most recent contracts, for COMRA and TOML, were signed only in November 2011 and January 2012 respectively, and since no exploration activity under those contracts was to be carried out prior to March 2012, the first annual reports under these contracts will not fall due until 2013. The secretariat carries out a technical review of the annual reports, which is then submitted to the Legal and Technical Commission to facilitate its work at each session. As new contracts are signed, the workload of the secretariat and the Commission will increase. If five new contracts are approved in 2012, the Authority will have to deal with up to 17 annual reports each year.

B. Periodic review of the implementation of the plan of work

66. Each application for approval of a plan of work for exploration must contain a general description and a schedule of the proposed exploration programme, including the programme of activities for the immediate five-year period, such as studies to be undertaken in respect of the environmental, technical, economic and other appropriate factors that must be taken into account in exploration, and a schedule of anticipated yearly expenditures in respect of the programme of activities for the immediate five-year period. Upon approval of the application, the five-year programme of activities is incorporated in each contract for exploration as a schedule to the contract and, in accordance with standard clause 4 of the contract (section 4 of annex 4 to the regulations), the contractor is contractually bound to commence exploration in accordance with the time schedule stipulated in the programme of activities to adhere to such time periods or any modification thereto as provided for by the contract.

67. The programme of activities may be adjusted at any time by mutual agreement between the contractor and the Authority in accordance with good mining industry practice and taking into account market conditions. However, the regulations provide a specific mechanism whereby contractors may adjust their programmes of activities at five-year intervals through a periodic review process undertaken jointly between the Secretary-General and each contractor. In this regard, standard clause 4.4 provides that, not later than 90 days prior to the expiration of each five-year period from the date on which the contract enters into force, the contractor and the Secretary-General shall jointly undertake a review of the implementation of the plan of work for exploration. In the light of the review, the contractor shall indicate its programme of activities for the following five-year period, including a revised schedule of anticipated yearly expenditures, making such adjustments to its previous programme of activities as are necessary. The revised programme of activities is then incorporated into the contract through an instrument in writing (in the form of an exchange of letters) signed by the Secretary-General and the authorized representative of the contractor. The Secretary-General is required to report on the review to the Legal and Technical Commission and to the Council.

68. For six of the current contractors (Yuzhmorgeologiya, IOM, the Government of the Republic of Korea, COMRA, DORD and IFREMER), whose contracts were issued in 2001, the second five-year period came to an end in 2011. In the case of BGR, whose contract was issued in 2006, the first five-year programme of activities expired in 2011. Accordingly, the Secretary-General commenced the periodic review process in October 2010 by inviting all contractors to submit, in addition to their

annual reports, a comprehensive report on the exploration work carried out to date and data and results obtained, including those data not yet supplied to the Authority. Contractors were also invited to provide a comprehensive breakdown of expenditures incurred during the five-year period under review, in the format recommended by the Legal and Technical Commission in its 2009 Recommendations for the guidance of contractors for the reporting of actual and direct exploration expenditures (ISBA/15/LTC/7). The contractors were further invited to submit their proposed programme of activities and associated statements of minimum expenditure for the subsequent five-year period.

69. The reports received from contractors were placed before the Legal and Technical Commission during the seventeenth session in 2011. The Commission considered the information provided in the context of its review of the annual reports of each contractor. With respect to the implementation by the contractors of their plans of work, the Commission expressed its concern over the lack of raw data associated with resource assessment and environment baseline studies. It noted that the lack of such data was an impediment to the assessment of activities in the Area by the Authority, such as the creation of a regional environmental management plan. The Commission made a number of recommendations in that respect, which were subsequently taken up by the Council and reflected in its decision of 21 July 2011 (ISBA/17/C/20). With respect to financial expenditure, the Commission noted significant variations in reported financial expenditure between the contractors. It also reiterated the difficulty in making any evaluation of actual and direct exploration expenditure when the contractors had not followed the relevant recommendations for guidance. The Commission recommended that the programme of activities for the next five years for the six contractors entering upon the last five-year contract period should include an economic pre-feasibility study providing an indication of the level of returns that could be generated for any investment in the exploitation of nodules. Finally, the Commission suggested that the secretariat organize a meeting with contractors in which specific provision would be made on the agenda to include financial appraisal as a component of future reporting.

70. Between November 2011 and May 2012, the Secretary-General or his representative made efforts to meet bilaterally with each contractor in order to discuss the implementation of the plan of work in more detail, as envisaged by the regulations. Meetings with COMRA, DORD and the Republic of Korea were held during official visits to those contractors, while meetings with BGR and IOM took place in Kingston. An informal meeting with representatives of France, the sponsoring State of IFREMER, took place in New York in May 2012. It was not possible to convene a bilateral meeting with Yuzhmorgeologiya. The meetings were useful in helping to develop a better understanding of the exploration programmes, strategic objectives and achievements of each contractor. They also provided an opportunity for the Secretary-General to convey to the contractors in more detail the concerns of the Legal and Technical Commission and the Council, in particular with respect to issues such as the provision of environmental baseline data and the future pace of activities in the Area, and for the contractors to respond to those concerns. The Secretary-General was also able to receive briefings from the contractors on the status of development of mining and processing technology. Following these reviews, the necessary steps have been taken to incorporate the revised programmes of activities in each of the contracts. A more detailed report on the status of the periodic reviews has been issued under the symbol ISBA/18/C/9.

XVII. Progressive development of the regulatory regime for activities in the Area

71. The Authority has a fundamental role to play in ensuring that an appropriate regulatory regime is established, in accordance with the Convention and the 1994 Agreement, that provides adequate security of tenure for future exploration for and exploitation of the mineral resources of the Area, while ensuring effective protection for the marine environment. The regulatory regime would ultimately be encapsulated in a Mining Code, which would comprise the whole of the comprehensive set of rules, regulations and procedures issued by the Authority to regulate prospecting, exploration and exploitation of marine minerals in the Area.

72. The regulations also set out terms and conditions for prospecting in the Area, including procedures through which the Authority is notified of the intention of prospecting by a proposed prospector and the Secretary-General of the Authority considers and records the notification. Annex 1 to each set of regulations provides a standard form for notification. On 6 September 2011, BDR submitted to the Secretary-General notification of its intention to engage in prospecting for polymetallic sulphides in the Southern Central Indian Ridge and the Northern Southeast Indian Ridge. On 4 October 2011, having reviewed the notification and found it in conformity with the Convention and with the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area (ISBA/16/A/12/Rev.1, annex), the Secretary-General informed the President of BGR that the notification had been fully recorded, pursuant to regulation 4, paragraph 2, of the Regulations.

A. Prospecting and exploration

73. The Mining Code so far comprises the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area (the Nodules Regulations), dated 13 July 2000 (ISBA/6/A/18, annex) and the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area (the Sulphides Regulations), dated 15 November 2010 (ISBA/16/A/12/Rev.1, annex). In addition to specifying the process through which contracts may be applied for and granted, the regulations set out the standard terms and conditions, applicable to all entities, of contracts with the Authority. The Council is presently in the process of elaborating rules, regulations and procedures governing prospecting and exploration for cobalt-rich ferromanganese crusts in the Area.

74. Draft regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area were proposed by the Legal and Technical Commission in 2009 and considered during the sixteenth session in 2010 and the seventeenth session in 2011. After a detailed reading of the entire text of the draft regulations, agreement was reached on all provisions with the exception of regulations 11, 12, 21 and 27. It was agreed to continue discussion of the outstanding issues at the eighteenth session in 2012 and to give priority to work on the regulations in the work of the Council. It was also noted that it would be necessary in due course to adopt a decision of the Council to deal with the possibility of overlapping claims, as had been done in the case of polymetallic sulphides.

B. Exploitation

75. One of the main problems for potential investors in deep seabed mining is that as yet there are no detailed regulations for the exploitation of the resources of the Area. This makes commercial exploitation very difficult to contemplate. Pursuant to section 1, paragraph 15, of the annex to the 1994 Agreement, as read in conjunction with articles 153 and 162 (2) (o) (ii) of the Convention, the Council may undertake the elaboration of such rules, regulations and procedures as may be necessary to facilitate the approval of plans of work for exploration or exploitation for seabed minerals any time it deems that such rules are required for the conduct of activities in the Area, or whenever it determines that commercial exploitation is imminent, or at the request of a State whose national intends to apply for approval a plan of work for exploitation.

76. At the seventeenth session, in 2011, the delegation of Fiji made a statement (ISBA/17/C/22), supported by other delegations, requesting the Council to take up the formulation of the regulations governing exploitation. The delegation noted that the Authority had by 2011 approved 12 contracts for exploration in the Area, many of which would terminate in 2016, by which time it was anticipated that contractors would be ready to move to the exploitation phase. They would not be able to do so, however, unless clearly defined parameters for exploitation were in place that would permit contractors to assess the financial risks of proceeding to commercial exploitation. Following the statement by Fiji, the Council requested the secretariat to prepare a strategic workplan for the development of exploitation regulations for consideration at the eighteenth session.

77. In accordance with the Council's request, the Secretary-General issued a report (ISBA/18/C/4) discussing the issues involved in the elaboration of an exploitation code and outlining a workplan to produce such a code by 2014. The Council will be invited to discuss the report during the eighteenth session with a view to providing appropriate policy advice and requesting the Legal and Technical Commission to commence work on an exploitation code in 2013, as a matter of priority, and to report to the Council on its work at the nineteenth session. Resources to support such work have been identified and requested in the proposed budget for the 2013-2014 financial period.

C. User's guide

78. In response to suggestions made by members of the Authority during previous sessions, the secretariat has commenced work, with the assistance of a consultant, on a user's guide to the regulatory regime for deep seabed mining. The guide will be written, as far as possible, in non-technical language so that it is accessible to general users, including prospective applicants for licences, representatives of member States, delegates to the Authority's meetings and staff. The guide will clearly explain the basic features, including the fundamental principles and sources of law on which the system is based, of the system for prospecting, exploration and exploitation with reference to the Convention, the Part XI Agreement and the regulations and explain in a step-by-step fashion the process for applying for an exploration licence, including the differences between the three types of resources for which regulations have been or will be adopted. The guide will also explain the terms and conditions of exploration licences, including provisions relating to

environmental protections, and the steps contractors are required to take to comply with such terms and conditions. As of June 2012, the draft user's guide has been circulated for peer review. It is expected that it will be published in the last quarter of 2012.

D. National laws and regulations relating to deep seabed mining

79. Article 153, paragraph 4, of the Convention states that the obligation of sponsoring States in accordance with article 139 entails taking all necessary measures to ensure compliance by the sponsored contractor. Annex III, article 4, paragraph 4 makes it clear that sponsoring States' responsibility to ensure compliance applies "within their legal systems", and therefore requires a sponsoring State to adopt laws and regulations and to take administrative measures which are, within the framework of its legal system, "reasonably appropriate for securing compliance by persons under its jurisdiction". In this regard also, article 208 of the Convention requires coastal States to adopt laws and regulations to prevent, reduce and control pollution of the marine environment arising from seabed activities within their jurisdiction. Such laws and regulations shall be no less effective than international rules, standards and recommended practices and procedures, including those adopted by the Authority. Article 209 goes on to require States to adopt laws and regulations to prevent, reduce and control pollution of the marine environment from activities in the Area undertaken by vessels, installations, structures and other devices flying their flag or of their registry or operating under their authority. Again, such laws and regulations shall be no less effective than international rules, standards and recommended practices and procedures established in accordance with Part XI of the Convention.

80. In its advisory opinion on the responsibilities and obligations of States sponsoring persons and entities with respect to activities in the Area,[1] the Seabed Disputes Chamber affirmed that the Convention requires the sponsoring State to adopt, within its legal system, laws and regulations and to take administrative measures that have two distinct functions, namely, to ensure compliance by the contractor with its obligations and to exempt the sponsoring State from liability. While the scope and extent of these laws and regulations and administrative measures depends on the legal system of the sponsoring State, they may include the establishment of enforcement mechanisms for active supervision of the activities of the sponsored contractor and for coordination between the activities of the sponsoring State and those of the Authority. Laws and regulations and administrative measures should be in force at all times that a contract with the Authority is in force. While the existence of such laws and regulations and administrative measures is not a condition for concluding a contract with the Authority, it is, however, a necessary requirement for carrying out the obligation of due diligence of the sponsoring State and for seeking exemption from liability. Particularly as regards the protection of the marine environment, the laws and regulations and administrative measures of the sponsoring State cannot be less stringent than those adopted by the Authority, or less effective than international rules, regulations and procedures.

[1] Seabed Disputes Chamber of the International Tribunal for the Law of the Sea, Advisory Opinion, 1 February 2011, available at www.itlos.org/fileadmin/itlos/documents/cases/case_no_17/adv_op_010211.pdf.

81. While the Chamber's opinion clarifies the provisions of the Convention and the 1994 Agreement, it also implies that sponsoring States and potential sponsoring States, including developing States that may wish to participate in deep seabed mining by sponsoring plans of work within reserved areas, will need to give consideration to the adoption of appropriate laws and regulations for this purpose. During the seventeenth session of the Authority in 2011, the Legal and Technical Commission suggested that the Authority should be charged with preparing model legislation to assist sponsoring States in fulfilling the aforementioned obligations (ISBA/17/C/13, para. 31 (b)). In response to this suggestion, the Council decided to request the Secretary-General to prepare a report on the status of the laws, regulations and administrative measures adopted by sponsoring States and other members of the Authority with respect to the activities in the Area. The Council further decided to request the Secretary-General to invite sponsoring States and other members of the Authority, as appropriate, to provide information on, or texts of, relevant national laws, regulations and administrative measures to the secretariat of the Authority (ISBA/17/C/20, para. 3).

82. Subsequently, the secretariat invited sponsoring States of the existing contractors, as well as all other members of the Authority, to provide it with information on, or texts of, their relevant national laws, regulations and administrative measures. As of 7 May 2012, the following members of the Authority had provided the secretariat with such information: China, Cook Islands, Czech Republic, Germany, Guyana, Mexico, United Kingdom and Zambia.

83. On the basis of the information received, the Secretary-General has issued a report (ISBA/18/C/8 and Add.1) for consideration by the Council and the Legal and Technical Commission during the eighteenth session. The report contains a brief summary of the information provided by member States as well as information on relevant regional efforts and the activities of observer States.

E. Implementation of article 82, paragraph 4, of the Convention

84. As noted in paragraph 3 of the present report, one of the specific responsibilities of the Authority under article 82, paragraphs 1 and 4, of the Convention is the responsibility to distribute to States parties to the Convention the payments or contributions in kind derived from exploitation of the non-living resources of the continental shelf extending beyond 200 nautical miles from the baselines of the territorial sea (the "outer continental shelf").

85. Under article 82 of the Convention, States or individual operators who exploit the non-living resources of the outer continental shelf are required to contribute a proportion of the revenues they generate from such exploitation for the benefit of the international community as a whole. This proportion is defined as 1 per cent of the value or volume of production at the site, rising by 1 per cent annually until it reaches 7 per cent, at which level it remains. Article 82, paragraph 4, gives the Authority responsibility for distributing these revenues "on the basis of equitable sharing criteria, taking into account the interests and needs of developing States, particularly the least developed and the land-locked among them". It is reasonable to expect that the Authority, as the international institution competent to administer article 82 payments and contributions, should anticipate and take steps towards the implementation of this provision.

86. In 2009 and 2010, the Authority published two technical studies dealing with the legal and policy issues associated with the implementation of article 82 and the technical and resource issues associated with the outer continental shelf, respectively. In the light of these technical studies, it is intended to convene an expert group meeting involving representatives of members of the Authority, members of the Legal and Technical Commission and other relevant experts, to consider and help to prepare draft recommendations to the Council and the Assembly on the implementation by the Authority of article 82, paragraph 4, of the Convention. The Secretary-General is pleased to note that the expert group meeting will be held in Beijing in November 2012 in collaboration with the China Institute for Marine Affairs of the State Oceanic Administration of China.

XVIII. Monitoring of trends and developments relating to deep seabed mining activities, including world metal market conditions and metal prices, trends and prospects and cost-effective and environmentally friendly technological developments with regard to seabed mining activities

A. Monitoring of world metal market conditions and prices, trends and prospects

87. In order to better monitor trends and developments in world metal markets, the secretariat is establishing a database of recent and historic price, consumption, production cost and trade statistics. These data may be used by the Authority to generate metal-specific reports and specialized economic studies with respect to polymetallic nodules, cobalt-rich crusts and polymetallic sulphides. The database will also include relevant information on land-based mines. The secretariat has also been collecting data and information on various components of a cost model for polymetallic nodule mining, including equipment, transportation and ore processing costs.

B. Assessment of the economic potential of rare earth elements contained in seafloor mineral deposits

88. Despite their name, rare earth elements are relatively abundant in the earth's crust. However, because of their geochemical properties rare earth elements are typically dispersed and not often found in concentrated and economically exploitable forms. China currently produces over 95 per cent of the world's supply of rare earth elements. Globally, demand is expected to outstrip supply. Rare earth elements are present in a number of the mineral deposits to be found in the Area, including polymetallic nodules and cobalt-rich ferromanganese deposits. It is believed that if economical processing routes can be established, they would enhance the profitability of nodule mining. The secretariat is currently undertaking a technical study to evaluate whether seafloor deposits have the potential to become an alternative source of rare earth elements as a by-product of seabed mining.

89. The uses of rare earth elements in modern societies are extensive and include hybrid and electric cars, wind turbines, motors and magnets for many applications

and a wide array for electronic devices. The industrial applications of rare earth elements in emerging high and green technologies give these minerals an immediate critical and strategic importance. A number of them are particularly critical and predicted to be in deficit on the global market by 2014, for example neodymium, europium, terbium and dysprosium.

90. To date, the secretariat has compiled available data and information on the geochemical properties and geographic variation of rare earth elements in polymetallic nodules and cobalt-rich crusts occurrences in some detail. A global geochemical database of element grades has been compiled from various sources, covering the major geographic areas of interest for cobalt-rich crusts and polymetallic nodules, including the Central Pacific Ocean, the Central Indian Ocean and the South Atlantic Ocean. It is expected that this work will be completed during 2013. While the results of the geochemical analyses carried out so far appear promising, the work to date does not take into account the required metallurgical factors, ore processing costs and recovery efficiencies of rare earth elements as by-products of mining polymetallic nodules or cobalt-rich ferromanganese crust deposits.

XIX. Collection and assessment of data from prospecting and exploration and analysis of the results

91. The secretariat has been collaborating with the Government of Brazil in an effort to develop a digital atlas of the mineral prospects and geology of the under-studied South Atlantic Ocean. The overall objectives of the project are to:

(a) Accumulate relevant geospatial data to enhance knowledge of the geology of the South Atlantic;

(b) Augment the Authority's prospecting data;

(c) Compile a freely available data and visualization product to support exploration and sustainable use of mineral resources in the Area and in neighbouring areas within national jurisdiction, including the continental shelf of member States bordering the South Atlantic;

(d) Promote the development of capacity relating to GIS methods and resource assessment and sampling techniques for marine mineral resources, particularly by transferring the knowledge and technologies used by the Geological Service of Brazil through mechanisms of South-South cooperation. Since 2011, a variety of datasets have been acquired on the resource potential of this geographic area and incorporated in a database. These include seismic, gravimetric, magnetic and bathymetric data and information, as well as metal content data for particular areas in the South Atlantic. These data cover areas within the Angola basin, the Rio Grande Seamounts and the Mid-Atlantic ridge. Within the context of the project, a new physiographic map of the seabed of the South Atlantic Ocean has been developed. Present efforts focus on identifying national and intergovernmental organizations with relevant datasets and establishing processes for data exchange.

XX. Promotion and encouragement of marine scientific research in the Area, with particular emphasis on research related to the environmental impact of activities in the Area

92. Under article 143 of the Convention, the Authority has a general responsibility to promote and encourage the conduct of marine scientific research in the Area and to coordinate and disseminate the results of such research when available. It also has a duty under articles 145 and 209 to ensure effective protection of the marine environment from harmful effects that may arise from activities in the Area. The most immediate and practical way in which the Authority has begun to implement its responsibilities under the Convention and to fulfil its various mandates under paragraph 5 of section 1 of the annex to the 1994 Agreement, particularly under subparagraphs (f) to (j), has been the establishment of a series of expert workshops, seminars and meetings. The Endowment Fund also contributes to the development of capacity to carry out marine scientific research in the Area.

93. A key factor for the Authority is that, although a significant amount of basic and applied research has been done in the past or is still in progress, it is broadly accepted that the current level of knowledge and understanding of deep-sea ecology is not yet sufficient to allow conclusive risk assessment of the effects of large-scale commercial seabed mining, as opposed to exploration. In order to be able in future to manage the impact of mineral development in the Area in such a way as to prevent harmful effects to the marine environment, it will be essential for the Authority to have better knowledge of the state and vulnerability of the marine environment in mineral-bearing provinces. This includes, inter alia, knowledge of baseline conditions in these areas, the natural variability of these baseline conditions and their relationship with impacts related to mining. It is also important that such data be standardized, including taxonomic information.

A. Technical workshops

94. The Authority held its thirteenth international workshop in November 2011 in Fiji. The workshop was held in collaboration with the Government of Fiji and the Applied Geoscience and Technology Division of the Secretariat of the Pacific Community and was focused on identification of the environmental management needs for exploration and exploitation of deep-sea minerals. The choice of subject matter reflected the increasing interest in and associated concerns about the potential environmental impacts of deep-sea mineral exploration and mining and how competent authorities at the national and international level will regulate this emerging economic development opportunity in a sustainable manner in areas within and beyond national jurisdiction. Another objective of the meeting was to assess the measures taken by the Authority with respect to the protection of the marine environment from the harmful effects of deep seabed mining and the applicability of such measures to the development of marine minerals in areas within national jurisdiction. The outputs from the workshop included a draft template for an environmental impact assessment for seabed mining, an outline of the legislative and regulatory provisions that should form the basis of environmental management of deep seabed mining, and the identification of capacity-building needs and methods by which these needs could be addressed.

95. The workshop was attended by 79 participants from 18 countries and involved a series of presentations, available on the Authority's website, followed by discussions in three working groups addressing specific topics. More details on the background to the workshop and the outcomes of the discussions within the working groups may be found in the report of the workshop, which has been published as International Seabed Authority Technical Study No. 10 (2012).[2]

96. During the forthcoming biennium, it is proposed to convene four further workshops. Three of the workshops will focus on standardization of the taxonomy of fauna associated with polymetallic nodules in the Area. The fourth workshop will focus on the standardization of the morphology of polymetallic nodules.

B. Informal consultations with exploration contractors on the biological component of environmental baseline data in exploration areas

97. During the seventeenth session, the Legal and Technical Commission noted the urgent need for the Authority to update its data management requirements with regard to acceptable formats for the submission of scientific and technical data collected by contractors. In its decision of 21 July 2011 (ISBA/17/C/20), the Council called upon contractors to provide raw data in digital format for inclusion in the database of the Authority, in accordance with regulation 31, paragraphs 4 and 5, of the Nodules Regulations and with regulation 34 of the Sulphides Regulations. In addition, in its consideration of a proposed environmental management plan for the Clarion-Clipperton Zone (ISBA/17/LTC/7), the Council requested the Secretary-General to hold a meeting prior to the eighteenth session to address, inter alia, the availability of data that could be used to assess the plan.

98. In response to the requests of the Council, the Secretary-General convened an informal meeting of contractors from 9 to 11 January 2012. The meeting began with presentations on the current status of environmental data that have been provided to the Authority and the status of relevant publicly available data and the need for standardization. These were followed by presentations from each contractor outlining the current status of data that had been collected and identification of future activities. In light of the request by the Council, some contractors provided additional data prior to the meeting and all contractors committed themselves to assessing their inventories for raw data and providing them, along with all data collected in the future, to the Authority in a standardized electronic format.

99. The secretariat is reviewing and assimilating the new data provided and will report on them and their potential use in due course. The meeting also noted the need for taxonomic standardization and recommended addressing it through a series of workshops. The aim of the workshops would be to bring together those performing taxonomic identifications for contractors with the leading experts in the relevant fields in order to create standardized keys to enabling all contractors to use the same nomenclature and allowing the amalgamation of datasets from the various

[2] "Environmental Management Needs for Exploration and Exploitation of Deep Sea Minerals: Report of a workshop held by the International Seabed Authority in collaboration with the Government of Fiji and the SOPAC Division of the Secretariat of the Pacific Community (SPC) in Nadi, Fiji, from 29 November – 2 December 2011".

contractors. This standardization is required in order to, inter alia, evaluate regional biodiversity and species ranges and provide information that could be used to evaluate the environmental management plan for the Zone. Based on the recommendations of the contractors, it is proposed to convene three expert workshops to standardize the taxonomy of megafauna, macrofauna and meiofauna associated with polymetallic nodule deposits in the Zone.

C. Strengthening and coordination of international cooperation in marine scientific research

100. The secretariat continues to participate in scientific meetings and conferences in order to remain up to date with respect to relevant scientific issues and promote the work of the Authority. These forums allow the establishment of new collaborations and the identification of experts to assist the Authority in its work.

101. One such collaboration is with the International Network for Scientific Investigations of Deep-Sea Ecosystems, which was created to maintain and further develop the international collaborations initiated during the Census of Marine Life. The Network brings together committed scientists with a wide variety of skills, including a substantial proportion of younger scientists. It is working to address key gaps in knowledge relating to deep-sea ecosystems and provide a framework to bridge the gap between scientists and policymakers. The Authority has been represented in the steering group meetings of the Network and has been approached to become involved in some of its activities. The Network, for its part, is a potential collaborator in the taxonomy workshops identified above. Such collaborations will substantially increase the profile of the Authority within the scientific community.

102. The Authority also cooperates closely with the secretariat of the Convention on Biological Diversity, in particular with respect to the identification of ecologically or biologically significant areas in areas beyond national jurisdiction. Ecologically or biologically significant areas are marine areas in potential need of protection that are identified using seven scientific criteria adopted by the ninth meeting of the Conference of the Parties to the Convention on Biological Diversity in 2008 (decision IX/20, annex I). While the identification of these areas is not associated with any legally binding protection regime, the information available may be of use to the Authority when considering the issuance of new exploration contracts. The Authority has been actively following the discussions under the Convention, especially those at regional workshops in areas that may be of interest for mineral exploration. In November 2011, the Authority participated in the Western South Pacific regional workshop to facilitate the description of ecologically or biologically significant marine areas, which identified 26 areas meeting ecologically or biologically significant areas criteria.

103. The secretariat will continue to follow the progress of the establishment of ecologically or biologically significant areas in order to better understand how this concept can feed into the work of the Authority. Of particular relevance are the upcoming workshops to examine the southern Indian Ocean (Mauritius, 30 July-3 August 2012) and the eastern tropical and temperate Pacific (Galapagos, Ecuador, 27-31 August 2012). In addition, in due course, the Convention on Biological Diversity will also be holding a regional workshop for the Northern Pacific, an area highlighted as being of the greatest interest for the mining of cobalt-rich crusts.

104. The Global Ocean Biodiversity Initiative is an international partnership advancing the scientific basis for conserving biological diversity in the deep seas and open oceans. It aims to help countries, as well as regional and global organizations, to use and develop data, tools and methodologies to identify ecologically significant areas in the oceans, with an initial focus on areas beyond national jurisdiction. The Initiative is facilitated by the International Union for Conservation of Nature with core support from the German Federal Agency for Nature Conservation. Along with other relevant international organizations, the Authority is a member of the advisory board of the Initiative and since the seventeenth session has participated in the annual and advisory board meetings of the Initiative. Much of the work of the Initiative has been concerned with ecologically or biologically significant areas; however, it also provides a forum to exchange ideas with others on knowledge gaps related to deep-sea biodiversity and how to fill these gaps.

D. Endowment Fund for Marine Scientific Research

105. The Endowment Fund aims to promote and encourage the conduct of marine scientific research in the Area for the benefit of mankind as a whole, in particular by supporting the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes, including through training, technical assistance and scientific cooperation programmes. Applications for assistance from the Fund may be made by any developing country or by any other country if the purpose of the grant is to benefit scientists from developing countries. An advisory panel, appointed by the Secretary-General, evaluates applications for assistance from the Fund and makes recommendations to the Secretary-General. The panel members, who are appointed with due regard to equitable geographic representation, include permanent representatives to the Authority, representatives of educational institutions or international organizations and individuals closely associated with the work of the Authority. The Secretary-General appointed new members of the Panel in 2011; their names are set out in the annex to the present report.

106. In administering the Fund, the secretariat of the Authority is required to endeavour to make arrangements with universities, scientific institutions, contractors and other entities for opportunities for scientists from developing countries to participate in marine scientific research activities. Such arrangements may include the reduction or waiver of fees for training. The secretariat has carried out a number of activities designed to draw the attention of the international donor community to the opportunities offered by the Fund and to encourage additional contributions. These activities include issuing press releases and promotional materials, maintaining a specially designed page on the Authority's website (www.isa.org.jm/en/efund) and establishing a network of cooperating institutions that may be interested in offering places on courses or research opportunities. Members of the network to date include the National Oceanography Centre (United Kingdom); the National Institute of Ocean Technology and the National Institute of Oceanography (India); IFREMER (France); BGR (Germany); the Natural History Museum (United Kingdom); Duke University, North Carolina (United States of America); and the International Cooperation in Ridge-crest Studies (InterRidge), an

international, non-profit organization promoting interdisciplinary studies of oceanic spreading centres.

107. To date a total of 30 scientists from developing countries have been recipients of financial support from the Endowment Fund. The recipients are from Argentina, Bangladesh, Brazil, Cameroon, China, Costa Rica, Egypt, Guyana, India, Indonesia, Jamaica, Madagascar, Maldives, Mauritania, Nigeria, Palau, Papua New Guinea, the Philippines, Sierra Leone, South Africa, Sri Lanka, Suriname, Thailand, Trinidad and Tobago and Viet Nam. Each of the recipients has been able to participate in international training programmes or in research projects, which would not have been possible without the assistance of the Fund. Details of the projects that had been supported by the Endowment Fund prior to 2011 are listed in the reports of the Secretary-General for 2010 (ISBA/16/A/2) and 2011 (ISBA/17/A/2). Since the seventeenth session, two awards have been made from the Fund.

108. An award of US$ 45,000 was made to InterRidge to contribute to the funding of three marine science fellowships each year for the period from 2012 to 2014. InterRidge is an organization that promotes interdisciplinary, international studies of oceanic spreading centres by creating a global research community, planning and coordinating new science programmes that no single nation can achieve alone, exchanging scientific information and sharing new technologies and facilities. It will be recalled that this is the second award granted to InterRidge. The first award, in 2008, supported six fellowships between 2009 and 2011. The current award is an extension of the previous collaboration. Recipients can apply their fellowships to any field of ridge-crest science but in particular are encouraged to use them for international cruise participation or international laboratory use, or to add an international dimension to their research work. Further information, including details on how to apply, can be found on the Authority's website.

109. An award of US$ 30,000 was made to the Rhodes Academy of Oceans Law and Policy to help fund a number of fellowships for students from developing countries and to expand the Academy's training programme to cover issues relating to deep seabed marine science. The Rhodes Academy was founded in 1995 and offers an intensive three-week course of study with lectures by leading jurists, practitioners and international law faculty from around the world. It is a cooperative undertaking sponsored jointly by the Center for Oceans Law and Policy of the University of Virginia (Charlottesville, United States of America), the Aegean Institute of the Law of the Sea and Maritime Law (Rhodes, Greece), the Law of the Sea Institute of Iceland (Reykjavik), the Max Planck Institute for Comparative Public Law and International Law (Heidelberg, Germany) and the Netherlands Institute for the Law of the Sea (Utrecht, the Netherlands). More than 400 students from 96 different countries have graduated from the Academy since its establishment. A total of 27 participants have benefited from the support of the Endowment Fund. Another six students or more will be supported in 2012 as a result of the most recent award.

110. The secretariat of the Authority will continue to take steps to generate interest in the Endowment Fund on the part of potential donors and institutional partners. In this regard, it is noted that in paragraph 11 of its resolution 64/71, the General Assembly of the United Nations called upon "States and international financial institutions, including through bilateral, regional and global cooperation programmes and technical partnerships, to continue to strengthen capacity-building

activities, in particular in developing countries, in the field of marine scientific research by, inter alia, training personnel to develop and enhance relevant expertise, providing the necessary equipment, facilities and vessels and transferring environmentally sound technologies". The Endowment Fund is one of the key mechanisms for enabling capacity-building in the field of marine scientific research in the deep ocean. The Secretary-General wishes to encourage members of the Authority, other States, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private persons to contribute to the Fund.

XXI. Development of specialized databases relevant to the work of the Authority

111. The secretariat maintains a central data repository where all members of the Authority can have access to non-proprietary data provided to the Authority. The repository also serves as an important source of information from which to create a baseline for the purposes of environmental impact assessment. It is currently composed of the following core data sets: a sea floor massive sulphides database; a cobalt-rich ferromanganese crusts database; a polymetallic nodules database; a web-based GIS; the library catalogue; a bibliographic database; and a seabed patents database.

112. The repository was designed in 2002 using an Oracle database platform, which is now obsolete. In addition to the Oracle database, which holds the data on major mineral resources, the secretariat maintains GIS databases for resource data and any geographical information related to the international seabed area. There is an urgent need to review the repository's system architecture and software design in order to improve its capabilities and compatibility with similar databases and modern GIS software, and to improve the web interface.

113. The Authority's information technology infrastructure comprises its day-to-day operating system, its website, the central data repository, its seabed patents database, an environmental database, a bibliographic database, the GIS database and a library database. Since the initial setup of the system in 1998, each component has been developed separately and added on to the existing infrastructure. With the efforts under way to input data and information for the purposes of regional assessments and resource evaluation based on standardized data, the entire system, including the organization of the Information Technology Unit, will be reviewed during the biennium.

XXII. Elections to the Council in 2012

114. In accordance with the Convention and the decisions of the Assembly, the terms of office of 20 of the members of the Council will end on 31 December 2012. The members of the Council whose terms of office will expire are as follows:

(a) Group A: China and Japan;

(b) Group B: India;

(c) Group C: Canada and South Africa;

(d) Group D: Bangladesh, Brazil and the Sudan;

(e) Group E: Angola, Argentina, the Czech Republic, Guyana, Kenya, Namibia, Netherlands, Poland, Senegal, Spain, Trinidad and Tobago and the United Kingdom of Great Britain and Northern Ireland.

115. In order to facilitate the process of electing new members to the Council, it is the practice of the secretariat to issue informal indicative lists showing the States members of the Authority that would be eligible for election to each group in the Council.

XXIII. Future pattern of meetings of the Authority

116. A persistent concern since the Authority was established has been the poor attendance at its meetings held in Kingston. In response to suggestions made by several delegations at the sensitization seminar held in New York on 16 February 2012, and with a view to identifying the reasons for the persistent failure to achieve a quorum in the Assembly, the secretariat has conducted an analysis of the pattern of meetings of the Assembly and Council over the past 12 years.

117. Between 2000 and 2011, the Assembly had a quorum on only two occasions, in 2004 and in 2008. With the exception of those years, however, attendance has been relatively constant at between 57 and 66 members (roughly 40 to 45 per cent of the membership). The lowest attendance was in 2007, when only 57 (36 per cent) of the members attended. This is clearly undesirable, as it means that decisions taken, although valid, lack legitimacy and do not necessarily reflect the views of all members of the Authority.

118. In response to suggestions made by members, the secretariat has experimented with holding the annual session at different times of year, subject to the availability of conference servicing. There is, however, no evidence from the statistics that the timing of the annual session, which has been held on various dates between March and August, has made any discernible difference to the overall level of attendance, although it may affect the decision of individual members to attend.

119. Far more significant factors affecting the decision of member States to attend or not to attend sessions of the Authority appear to be the amount of business that the Assembly needs to conduct and the organization of meetings of the various organs of the Authority within the session itself. Over the period from 2000 to 2012 the Assembly has held an average of 5.4 meetings (3 days) per year, spread over the two weeks of the session. The Council, in contrast, has held an average of 12 meetings (6 days) per year over the same period. There is a consistent pattern of full attendance at meetings of the Council.

120. The customary pattern of meetings for the Authority has been to open the Assembly on the first or second day of the session, and then to hold meetings of the Council and Assembly at various times over the two-week period of the session, concluding with meetings of the Assembly at the end of the session to adopt any necessary recommendations of the Council. Meetings of the Legal and Technical Commission and the Finance Committee take place in parallel with meetings of the Council during the session. In recent years, owing to its increasing workload, the Legal and Technical Commission has commenced its meetings one week in advance

of the main session of the Authority. In practice, the Commission meets for a total of approximately 10 days each year.

121. Although this pattern of meetings was necessary and appropriate in the early years of the Authority, owing to the need to pass recommendations and proposals between the various organs of the Authority, it can be seen that it is an inefficient way of organizing the work of the Authority. Members of the Authority who are not members of the Council are required to spend up to 10 days in Kingston to participate in only three days of meetings. It is not surprising that this is very difficult to justify for many member States. Furthermore, in light of the increasing complexity of the workload of the subsidiary organs of the Authority, it is becoming increasingly difficult and inefficient for the existing secretariat to service parallel meetings of the Council, the Legal and Technical Commission and the Finance Committee.

122. It is suggested that a more efficient way of organizing the meetings of the Authority would be to minimize the overlap between the meetings of the different organs and to hold meetings sequentially. In this scenario, meetings of the Legal and Technical Commission and the Finance Committee would take place in parallel during the first week of a session. The Council would then meet during the second week of the session, which would also allow time for the proposals and recommendations of the subsidiary organs to be translated for the consideration of the Council. The annual session of the Assembly would then be focused over a three-day period immediately following the conclusion of the meetings of the Council. This would provide members of the Assembly who are not members of the Council with an incentive to attend and participate in a more efficient manner in the work of the Assembly, while still allowing those who wish to attend the Council as observers to do so. In the event that the Assembly needed to return a matter to the Council for further consideration, members of the Council would still be present in Kingston and a meeting could be convened for this purpose.

123. It should be noted that this scenario is more in keeping with the pattern of meetings envisaged under the Convention than is the current system. The Convention envisages that the Legal and Technical Commission would meet as often as may be required, while the Council would meet four times per year, with the Assembly meeting in annual session. The current system of holding all meetings of all organs in parallel simultaneously was adopted in 1997 on the basis of cost-effectiveness, to encourage universal participation, and following the evolutionary approach called for in the 1994 Agreement. Fifteen years later, it is evident that the system is no longer cost-effective, has failed for several years to promote universal participation and that the Authority has evolved to the point where an alternative system of meetings needs to be considered.

124. While the actual number of meetings in any given year would continue to be determined by the Secretary-General in accordance with the anticipated workload of each organ of the Authority, it is recommended that a future pattern of meetings may cover a three-week period as follows. During the first week, the Legal and Technical Commission and the Finance Committee would meet in parallel for as many days as required (usually the Finance Committee holds 6 to 8 meetings and the Legal and Technical Commission holds 10 to 16 meetings). Since these organs deal with different matters, the secretariat would be in a position to service parallel meetings where required. During the second week of the session, the Council would meet for

five days. The Assembly would then convene during the third week of the session for three days.

125. A further aspect to this proposal is that it has been recommended that the Legal and Technical Commission meet twice per year in 2013 and 2014. This is considered necessary in light of the increasing workload of the Commission and to enable it to make progress on the elaboration of an exploitation code. Under this scenario it is envisaged that the Commission would hold an additional preparatory meeting several months prior to the main session of the Authority. This would allow the members of the Commission sufficient time to work on confidential documents, such as contractors' reports, and to carry out other collaborative work in preparation for the main session. It would also avoid the need for overlap between the meetings of the Commission and the Council. Such a meeting could be convened, in the first instance, without full conference services since much of the work of the Commission in this respect takes place in a workshop setting, without interpreters. This would also mean that the Commission could more efficiently focus on decision-making during the main session, which would be held with full conference services.

Annex

Members of the advisory panel for the International Seabed Authority Endowment Fund for Marine Scientific Research in the Area

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